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FISCAL IMPACT STATEMENT

LS 7567

BILL NUMBER: HB 1681

NOTE PREPARED: Jan 24, 2005

BILL AMENDED:

SUBJECT: Lake County innkeeper's tax.

FIRST AUTHOR: Rep. Dobis

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill requires the Lake County Convention and Visitor Bureau to establish an alternate revenue fund (ARF) consisting of all money (other than innkeeper's tax revenue) received by the Bureau after June 30, 2005. The bill provides that the Bureau is not required to submit a budget to the county council with respect to either the alternate revenue fund or the existing convention, tourism, and visitor promotion fund. The bill specifies that all members of the Bureau serve for terms of three years. The bill eliminates a provision authorizing the Lieutenant Governor's appointee to the Bureau to fill vacancies under certain conditions.

Effective Date: July 1, 2005.

Explanation of State Expenditures: Under the bill, the State Board of Accounts (SBA) would be allowed to audit the proposed ARF. The SBA should be able to administer this provision within their existing budget.

Explanation of State Revenues:

Explanation of Local Expenditures: Under the bill, the Lake County Convention and Visitor Bureau (the Bureau) would be required to establish an ARF. The ARF would be able to consist of appropriations, gifts, grants, membership dues, and contributions from any public or private source. The Bureau would be able to establish an ARF within their existing resources.

The Bureau would be able to expend money from the ARF *without appropriation* by the Lake County Council. Money in ARF would be used to promote and encourage conventions, trade shows, visitors, special events,

sporting events, and exhibitions in Lake County. The bill also eliminates the requirement that the Bureau submit its budget for the Promotion Fund to the County Council for review and approval.

Additionally, any revenue deposited in ARF would be allowed to be transferred to any Indiana not-for-profit corporation to promote and encourage conventions, trade shows, visitors, or special events in Lake County. Under current law, the County Convention, Visitor, and Tourism Promotion Fund (into which the County's Innkeeper's Tax revenue is deposited) may be used to provide transfers to Indiana non-profit corporations to promote the above listed events.

The bill specifies that revenue derived from Riverboat Wagering and Riverboat Admissions taxes would not be allowed to be transferred to the ARF.

Explanation of Local Revenues: *Summary:* Any revenue besides Innkeeper's Tax, Riverboat Wagering Tax or Riverboat Admission Tax revenue may be deposited in the County's ARF after June 30, 2005. The bill would not effect any change in the deposit of tax revenue into the County's Convention, Visitor, and Tourism Promotion Fund and other entities as specified in current law.

Background: Lake County collected \$2.1 M in Innkeeper's Tax revenue in FY 2004. All Innkeeper's Tax revenue would still be distributed to the Convention, Visitor, and Tourism Promotion Fund; Indiana University Northwest, various cities and towns in the County; Purdue University Calumet; and Gary and Hammond convention facilities under the provisions of current law. Projects for which revenue in the Promotion Fund may be used would still be subject to public review.

State Agencies Affected: State Board of Accounts.

Local Agencies Affected: Lake County Convention and Visitor Bureau.

Information Sources: *Indiana Handbook of Taxes, Revenues, and Appropriations.*

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